

SUBCOMMITTEE NO. 2

Agenda

Alan Lowenthal, Chair
Darrell Steinberg
Dave Cogdill



Tuesday, May 20, 2008
Capital Outlay
10:00 a.m.
Room 112

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Resources—Environmental Protection—Energy

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3340 California Conservation Corps

1. Delta Service District Center – Capital Outlay

Project. The new Delta Center will be constructed on state owned property at Arch and Newcastle Roads in central San Joaquin County. The proposed facility would have a capacity of 111 corpsmembers, 35 employees, and will replace the Stockton facility. The new facility will consist of an administration building, warehouse, hazardous materials storage, multi-purpose building including kitchen and dining, four residential dorms, education and recreation buildings, and paved surface and parking areas.

Finance Letter. The Governor has submitted a finance letter requesting an additional \$6,478,000 in lease-revenue bonds for construction of the Delta Service District Center project. With this addition, the total project cost would be \$27,314,000.

The increase in cost is due to: general escalations in the construction market and direct construction costs; direct construction costs to incorporate the Leadership in Energy and Environmental Design (LEED) standards; and the discovery of previously unrecognized seasonal wetlands.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

3540 Department of Forestry and Fire Protection

2. Higgins Corner Fire Station – Acquire Existing Site and Replace Facility

Project. This project would construct a non-standard, joint use (CALFIRE and Higgins Area Fire Protection District) fire station, to include an 18-bed barracks/messhall building, a 3-bay apparatus building, a vehicle wash rack, a vehicle fueling station, a hose wash rack, and sewer connections to the local utility district.

Need for Project. The current building was constructed in 1948. Although there have been remodels, the current building does not meet ADA requirements, is too small to accommodate staff, and bathrooms (accessed through kitchen) have suffered water damage.

Governor's Budget. The Governor's Budget proposes \$9,278,000 in lease-revenue bond funds for the Higgins Corner Fire Station project.

Staff Analysis. Lease-revenue bonds must be paid back with General Fund. Due to the current General Fund condition, any additional pressures should be avoided.

Staff Recommendation. Staff recommends that the Subcommittee reject the budget proposal.

3. San Mateo/Santa Cruz Unit Headquarters – Relocate Auto Shop – Capital Outlay

Project. This project would construct a 5-bay automotive repair shop at Ben Lomond Youth Conservation Center including restrooms, welding shop, storage, office space, and break room together with required appurtenant shop equipment/facilities. The project will also include a fuel dispensing system, fuel tanks, water tanks, a vehicle wash rack with building for water recycling equipment, a pump test pit, a generator/fire pump building with generator, and a storage building.

Need for Project. The current automotive repair shop was constructed in 1953 on a three-acre state owned site. The facility supports over 150 emergency vehicles. The metal roof and siding on the facility are deteriorating. The building has undersized, ungrounded electrical utilities that have deteriorated due to age. In addition, the building is not insulated, does not meet ADA code, and does not meet plumbing code.

Governor's Budget. The Governor's Budget proposes \$11,172,000 in lease-revenue bond funds for the construction of a new 5-bay automotive repairs shop at Ben Lomond Youth Conservation Center.

Staff Analysis. Lease-revenue bonds must be paid back with General Fund. Due to the current General Fund condition, any additional pressures should be avoided.

Staff Recommendation. Staff recommends that the Subcommittee reject the budget proposal.

4. Santa Clara Unit Headquarters – Replace Facility

Project. This project would demolish some structures at the Morgan Hill Fire Station/Santa Clara Unit Headquarters and construct a new 24-bed barracks and mess hall, a 3-bay apparatus building, a 4-bay utility vehicle storage building, physical training building, a generator/pump storage building with a generator, communication vault, fuel dispensing system with a fuel vault, and a pump test pit, and a hose wash rack. This would be the first phase of the project, other buildings on the site would be replaced as part of phase two.

Need for Project. The administrative offices that would be replaced are located in an old building with a variety of structural problems. The current building cannot accommodate all of the administrative staff so offices are spread throughout the many buildings on the site.

The current barracks and mess hall were constructed in 1952 without separate quarters for male and female firefighters. The barracks is too small for all 24 employees to sleep there, so some employees are forced to sleep in offices.

Governor's Budget. The Governor's Budget proposes \$20,856,000 in lease-revenue bond funds for the preliminary plans, working drawings, and construction of the Santa Clara Unit Headquarters project phase I.

Staff Analysis. Lease-revenue bonds must be paid back with General Fund. Due to the current General Fund condition, any additional pressures should be avoided.

Staff Recommendation. Staff recommends that the Subcommittee reject the budget proposal.

5. Siskiyou Unit Headquarters – Replace Facility

Project. This project would construct a new Unit Headquarters facility with an expanded Emergency Command Center building, Administration/Training building, service center warehouse with Self-Contained Breathing Apparatus refill/repair, a 14-bed barracks/mess hall, a 3-bay apparatus building, a 5-bay auto shop with welding area, physical fitness building, dozer transport building, telecommunications tower, generator/pump/storage building with generator.

Need for Project. The current headquarters building was constructed in 1938 and moved intact in 1953 to its current location on state-owned land south of the City of Yreka. The current building has numerous structural problems.

Governor's Budget. The Governor's Budget proposes \$30,151,000 in lease-revenue bonds for the preliminary plans, working drawings, and construction of a new Siskiyou unit headquarters.

Finance Letter. The Governor submitted a finance letter to increase the construction costs by \$1,580,000. The estimate was revised to include the costs of installation and equipment associated with the dispatch operation of the emergency command center, which were inadvertently omitted from the original budget estimate.

Staff Analysis. Lease-revenue bonds must be paid back with General Fund. Due to the current General Fund condition, any additional pressures should be avoided.

Staff Recommendation. Staff recommends that the Subcommittee reject the budget proposal.

6. Vina Helitack Base – Replace Facility

Project. This project would construct a new standard Helitack Base consisting of a 22-bed barracks/mess hall, a 3-bay apparatus building, rescue training tower, fire sprinkler system at the existing hangar, and a generator/pump storage building with a generator. The facility would have two lighted helipads.

Need for Project. The Vina Helitack Base is located in southern Tehama County. The facility provides airborne initial attack fire fighting response to approximately 2 million acres of State

Responsibility Area. Since 1970, there have been more than 50 fires where over 1,000 acres burned in the Vina's influence area.

The current facility was constructed in 1962 after the original facility was destroyed by a fire. The current building does not meet fire, ADA, or seismic codes. The barracks area is insufficient for the number of firefighters at the base. The current helitender is so small that the modern helicopter can barely fit into it.

Governor's Budget. The Governor's Budget proposes \$13,062,000 in lease-revenue bond funds for the Vina Helitack base project.

Staff Analysis. Lease-revenue bonds must be paid back with General Fund. Due to the current General Fund condition, any additional pressures should be avoided.

Staff Recommendation. Staff recommends that the Subcommittee reject the budget proposal.

7. Garden Valley Fire Station – Replace Facility

Project. This project would construct a 12-bed barracks/mess hall, a 3-bay apparatus building with a battalion chief complement, and a generator/storage building with generator.

Need for Project. The current facility was constructed in the 1940s and is approximately 1,500 square feet smaller than the recommended barracks for 14 full-time firefighters. The existing structure has water leaking through the roof and walls. The electrical system has been repeatedly modified but is not sufficient to support the station's full needs. There is no room on the site to place a back-up generator. The building is not ADA compliant.

Governor's Budget. The Governor's Budget proposes \$6,304,000 in lease-revenue bond funds for the preliminary plans, working drawings, and construction of the Garden Valley Fire Station.

Finance Letter. The Governor submitted a finance letter to increase the project construction costs by \$1,397,000 in lease-revenue bond funds due to refined project scope and costs adjusted from the initial budget package estimate.

Staff Analysis. Lease-revenue bonds must be paid back with General Fund. Due to the current General Fund condition, any additional pressures should be avoided.

Staff Recommendation. Staff recommends that the Subcommittee reject the budget proposal.

8. Warner Springs Forest Fire Station – Replace Facility

Project. This project would acquire an existing site and construct a standard one-engine, 2-bay apparatus building with 8-person barracks and mess hall. In addition, the project would include

a generator building with a pump and a generator. The funds requested are in addition to construction funds appropriated in 2005-06 and 2006-07.

Need for Project. The current building was constructed in 1952 and does not meet today's standards for a fire station. The garage attached to the building is not large enough to store both the fire engine and equipment.

Governor's Budget. The Governor's Budget proposes \$591,000 in lease-revenue bond funds for the additional costs of the construction phase of the project. The total cost for all phases of the project is \$5,218,000.

Finance Letter. The Governor submitted a finance letter to reappropriate the lease-revenue bond fund construction funds for the project because construction is scheduled to begin in October 2008. Thus, reappropriation is needed to secure project funds.

Staff Recommendation. Staff recommends that the Subcommittee approve the budget proposal and accept the finance letter.

9. Minor Capital Outlay Projects

Projects. This request includes funding for the following minor capital outlay projects:

- Baseline Conservation Camp – Construct a water treatment building, purchase and install a 30 gpm treatment plant, and connect to the existing water storage and utility systems.
- Humboldt Unit – Drill domestic wells for Mattole fire station, Trinidad fire station, and Alderpoint fire station.
- Sanger Unit Headquarters – Improve or replace potable water supply system.
- Sugar Pine Conservation Camp – Install additional septic tank and drill a new domestic water well.
- Pilot Rock Conservation Camp – New sewer and water lines.

Governor's Budget. The Governor's Budget proposes \$1,851,000 General Fund for various minor capital outlay projects.

Staff Recommendation. Staff recommends that the Subcommittee reject the budget proposal since these projects are funded with General Fund.

10. Madera-Mariposa-Merced Unit Headquarters

Project. This project includes construction of a new Unit Headquarters facility with an administration building, expanded dispatch building, 5-bay autoshop and standard 2-engine fire station with a dozer complement. The project also includes an 18-bed barracks, 3-bay apparatus building, 2-bay dozer shed, generator/pump storage building with a generator and telecommunications tower.

Need for Project. The existing facility suffers from critical infrastructure deficiencies that impair program delivery and building code noncompliance that could pose health and safety hazards. The apparatus building is inadequate for the current size of the fire engines. The 40-year old automotive shop cannot accommodate the service and repair needs of the firefighting vehicle fleet that has increased over time.

Finance Letter. The Governor has submitted a finance letter proposing \$28,506,000 in lease-revenue bonds for the preliminary plans, working drawings, and construction of the Madera-Mariposa-Merced Unit Headquarters project.

Staff Analysis. Lease-revenue bonds must be paid back with General Fund. Due to the current General Fund condition, any additional pressures should be avoided.

Staff Recommendation. Staff recommends that the Subcommittee reject the budget proposal.

11. Altaville Forest Fire Station

Project. The current automotive shop in San Andreas has space, health, and safety concerns. Also, the current facility was constructed on leased property, and the owner of the land will not renew the lease past 2010. The new automotive shop will be constructed on state-owned land adjacent to the Altaville Forest Fire Station.

Finance Letter. The Governor has submitted a finance letter proposing \$8,552,000 in lease-revenue bonds for the preliminary plans, working drawings, and construction of a new automotive shop adjacent to the Altaville Forest Fire Station.

Staff Analysis. Lease-revenue bonds must be paid back with General Fund. Due to the current General Fund condition, any additional pressures should be avoided.

Staff Recommendation. Staff recommends that the Subcommittee reject the budget proposal.

12. Intermountain Conservation Camp: Replace Facility

Project. This project includes the construction of a new kitchen/messhall, 80-bed barracks building, vehicle maintenance and storage buildings, a dayroom, administrative office space, demolition of existing structures, and site work. This camp houses approximately 80 inmates and was constructed in 1960. Increased funding requested for this project will address several funding deficiencies, including increased building material costs, additional site work, and other code-driven changes.

Finance Letter. The Governor submitted a finance letter with two components paid for with lease-revenue bond funds:

1. *Increase appropriation for the project:* \$5,437,000 for preliminary plans (\$182,000), working drawings (\$25,000), and construction (\$5,230,000). The additional costs are attributed to additional site work, upgraded construction materials appropriate for inmate housing, and the incorporation of current building and safety codes.
2. *Reappropriate Working Drawings and Construction:* Since the project increase in cost requires approval from the Legislature before the State Public Works Board can proceed with preliminary plan approval, the project is likely to be delayed and needs reappropriation.

Staff Recommendation. Staff recommends that the Subcommittee accept both finance letters.

13. Miramonte Conservation Camp: Replace Facility

Project. This project includes the construction of a 100-bed barracks building, a kitchen/messhall, recreation and shop buildings, an administration building, barracks buildings for California Department of Corrections and Rehabilitation and CALFIRE staff, vehicle maintenance and storage buildings, a warehouse, and site work. This camp houses 100 inmates. Additional funding requested for this project will address increased site work, project management fees, and construction material costs.

Finance Letter. The Governor submitted a finance letter with two components paid for with lease-revenue bond funds:

1. *Increase appropriation for the project:* \$10,974,000 for construction. The project cost increased due to the almost-complete preliminary plans. A significant portion of this increase is attributed to additional site work and project management cost increase.
2. *Reappropriate Working Drawings and Construction:* Since the project increase in cost requires approval from the Legislature before the State Public Works Board can proceed with preliminary plan approval, the project is likely to be delayed and needs reappropriation.

Staff Recommendation. Staff recommends that the Subcommittee accept both finance letters.

14. May Finance Letter Capital Outlay Proposals

May Finance Letter. The Governor submitted a number of capital outlay projects in May. These projects total \$28,088,000 in lease-revenue bonds. The projects are:

- *North Region Forest Fire Station Facilities:* \$2,406,000 for construction. The estimate was revised to reflect the increased size of the generator building to meet code requirements, additional site work, and updated project management fees.
- *South Operations Area Headquarters – Relocate Facility Project:* \$7,691,000 for acquisition (\$65,000), working drawings (\$71,000), and construction (\$7,555,000). The additional costs are attributed to the completion of appraisals for the site acquisition and escalation in construction and design costs.

Staff Analysis. Lease-revenue bonds must be paid back with General Fund. Due to the current General Fund condition, any additional pressures should be avoided.

Staff Recommendation. Staff recommends that the Subcommittee accept the North Region Forest Fire Station Facilities project but reject the South Operations Area Headquarters project.

15. May Finance Letter Capital Outlay Reappropriations

May Finance Letter. The Governor submitted a number of lease-revenue bond funded projects for reappropriation:

- *Ukiah Forest Fire Station: Replace Facilities* – Construction. The project is in construction and near completion. However, the construction schedule will continue into the next fiscal year. Reappropriation of the construction funding will ensure project completion.
- *Alma Helitack Base: Replace Facility* – Working Drawings and Construction. The project has been delayed because of site layout and geotechnical concerns. A supplemental geotechnical evaluation is currently being conducted on the site, which will determine final design requirements. Preliminary plans are only 5 percent complete and because the process will likely extend beyond the end of the fiscal year, it is necessary to extend expenditure authority.
- *Mendocino Ranger Unit Headquarters: Replace Automotive Shop* – Working Drawings and Construction. The project is currently in the working drawings phase, which has experienced delays associated with incorporating code updates and redesigning the septic system. The extension of the construction funding will allow the project to be bid when design is scheduled to be complete in July 2008.
- *San Luis Obispo Ranger Unit Headquarters: Replace Facility* – Construction. This project has been delayed as a result of extended negotiations between the California Polytechnic State University, San Luis Obispo, and the Department of Forestry and Fire Protection (CAL FIRE) regarding property jurisdiction and access issues. Discussions between the two parties are nearing completion and a final resolution is anticipated by May 2008. The extension of the project funding will allow the project to move forward once these issues have been resolved.
- *Statewide: Construct Forest Fire Stations* – Working Drawings and Construction. This project has been delayed by various property rights and environmental issues. The project is currently in working drawings, and construction is anticipated to begin by the middle of the budget year. Therefore, the extension of the expenditure authority will help ensure the timely completion of this project.
- *Ventura Youth Conservation Camp: Construct Apparatus Buildings, Shop and Warehouse* – Working Drawings and Construction. Due diligence issues have delayed the completion of working drawings beyond the end of this fiscal year. The extension of the funding will ensure that the construction contract can be awarded once design is completed.

- *Elk Camp Forest Fire Station: Relocate Facility – Construction.* This project was delayed because no favorable bids were received for the construction contracts when this project was initially bid by the Department of General Services (DGS). Therefore, it was necessary for CAL FIRE to manage this project. This project is currently under construction and reappropriation of the construction funds will allow this project to continue.
- *Pacheco Forest Fire Station: Replace Facility – Construction.* This project was delayed because no favorable bids were received for the construction contracts when this project was initially bid by the DGS. Therefore, it was necessary for CAL FIRE to manage this project. This project is currently under construction and reappropriation of the construction funds will allow this project to continue.
- *Harts Mill Forest Fire Station: Replace Facility – Construction.* This project was designed and constructed by DGS, but has ancillary components that CAL FIRE will start constructing once DGS completes its work on the project. Because the work may extend beyond the end of this fiscal year, the reappropriation will be necessary to ensure CAL FIRE completes these essential components.
- *Rancheria Forest Fire Station: Replace Facility – Construction.* This project was designed and constructed by DGS, but has ancillary components that CAL FIRE will start constructing once DGS completes its work on the project. Because the work may extend beyond the end of this fiscal year, the reappropriation will be necessary to ensure CAL FIRE completes these essential components.
- *Raymond Forest Fire Station: Relocate Facility – Construction.* This project was designed and constructed by DGS, but has ancillary components that CAL FIRE will start constructing once DGS completes its work on the project. Because the work may extend beyond the end of this fiscal year, the reappropriation will be necessary to ensure CAL FIRE completes these essential components.
- *San Marcos Forest Fire Station: Relocate Facility – Construction.* This project was designed and constructed by DGS, but has ancillary components that CAL FIRE will start constructing once DGS completes its work on the project. Because the work may extend beyond the end of this fiscal year, the reappropriation will be necessary to ensure CAL FIRE completes these essential components.
- *Vallecito Conservation Camp: Replace Apparatus Building and Utilities – Construction.* This project was designed and constructed by DGS, but has ancillary components that CAL FIRE will start constructing once DGS completes its work on the project. Because the work may extend beyond the end of this fiscal year, the reappropriation will be necessary to ensure CAL FIRE completes these essential components.
- *Academy: Construct Dormitory Building and Expand Messhall – Working Drawings and Construction.* The project has been delayed as a result of wastewater treatment issues that affect this facility and the Mule Creek State Prison. The California Environmental Quality Act (CEQA) process cannot move forward without this key issue being resolved. Because the process may extend beyond the end of the fiscal year, it is necessary to extend the expenditure authority.
- *Alma Helitack Base: Replace Facility – Working Drawings and Construction.* The project has been delayed because of site layout and geotechnical concerns. A supplemental geotechnical evaluation is currently being conducted on the site, which will determine final design requirements. Preliminary plans are only 5 percent complete and

because the process will likely extend beyond the end of the fiscal year, it is necessary to extend expenditure authority.

- *Badger Forest Fire Station: Replace Facility* – Working Drawings and Construction. This project has experienced delays associated with the CEQA process. Because the process may extend beyond the end of the fiscal year, it is necessary to extend the expenditure authority.
- *North Region Forest Fire Station Facilities* – Preliminary Plans, Working Drawings, and Construction. This project is being designed and managed by CALFIRE. The preliminary plans for four sites have been approved and the rest will be completed in the budget year. Because CALFIRE does not have a mechanism to encumber funds for in-house costs, which would otherwise be encumbered via a contract if CALFIRE were using DGS or a private design firm, the unencumbered funds for the following projects need to be reappropriated to ensure project completion.
- *Pacheco Forest Fire Station: Replace Facility* – Construction. This project was delayed because no favorable bids were received for the construction contract when it was initially bid by DGS. Therefore, it was necessary for CALFIRE to assume management of this project. The project is currently under construction and reappropriation of the construction funds will allow these projects to continue. This request is consistent with a similar request for the same project above.
- *Fawn Lodge Forest Fire Station: Replace Facility and Install New Well* – Preliminary Plans, Working Drawings, and Construction. This project is being managed by CALFIRE. However, because CALFIRE does not have a mechanism to encumber funds for in-house costs, the unencumbered funds for the project need to be reappropriated to ensure project completion.
- *Las Posadas Forest Fire Station: Replace Facility* – Preliminary Plans, Working Drawings, and Construction. This project is being managed by CALFIRE. However, because CALFIRE does not have a mechanism to encumber funds for in-house costs, the unencumbered funds for the project need to be reappropriated to ensure project completion.
- *Paso Robles Forest Fire Station: Replace Facility* – Preliminary Plans, Working Drawings, and Construction. This project is being managed by CALFIRE. However, because CALFIRE does not have a mechanism to encumber funds for in-house costs, the unencumbered funds for the project need to be reappropriated to ensure project completion.
- *Westwood Forest Fire Station: Replace Facility* – Preliminary Plans, Working Drawings, and Construction. This project is being managed by CALFIRE. However, because CALFIRE does not have a mechanism to encumber funds for in-house costs, the unencumbered funds for the project need to be reappropriated to ensure project completion.

Staff Recommendation. Staff recommends that the Subcommittee approve the reappropriations listed under this item.

16. Extension of Liquidation

Finance Letter. The Governor submitted a finance letter for an extension of the liquidation period of one year for the following lease-revenue bond funded projects:

- *Cuyamaca Forest Fire Station: Relocate Facility* – Working Drawings. This project is experiencing delays in the working drawings phase as a result of requirements imposed by San Diego County concerning encroachment and right-of-way issues. The project is scheduled to proceed to bid by June 2008. The extension of liquidation period would ensure funds are available should completion of working drawings be delayed further.
- *Sonora Forest Fire Station: Relocate Facility* – Construction. The project is currently in the final stages of the construction phase. The close-out process and final payment is anticipated to extend beyond the end of the fiscal year. It is necessary to extend expenditure authority to ensure outstanding bills can be paid.
- *Santa Clara Ranger Unit Headquarters* – Construction. The project has experienced delays associated with encountering underground lines during site development and heavy periods of rain. Although it is currently in the construction phase, payment for activities completed in the working drawings phase has not been finalized. The extension of liquidation period would ensure that outstanding bills can be paid.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

17. Hollister Air Attack Base: Relocate Facility

Finance Letter. The Governor submitted a finance letter to revert the acquisition and working drawings phases of this project. These phases were funded with General Fund. This project is experiencing delays in the preliminary plans phase as a result of the protracted project site negotiations with the City of Hollister. The preliminary plan approval for the project may extend into the 2008-09 fiscal year. Therefore, the funds for working drawings will not be needed in the budget year.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

18. Budget Bill Language

LAO Recommendation. The LAO recommended that the Legislature adopt budget bill language specifying which capital outlay projects would be managed by the Department of Forestry and Fire Protection.

Proposed Language. The LAO, Department of Finance, and staff have agreed upon the following budget bill language:

3540-301-0660--For capital outlay, Department of Forestry and Fire Protection, payable from the Public Buildings Construction Fund..... 91,414,000

Schedule:

- (1) 30.10.170-Santa Clara Unit Headquarters: Replace Facility--Preliminary plans, working drawings, and construction..... 20,856,000
- (2) 30.10.210-San Mateo/Santa Cruz Unit Headquarters: Relocate Automotive Shop--Preliminary plans, working drawings, and construction..... 11,172,000
- (3) 30.20.007-Vina Helitack Base: Replace Facility-- Preliminary plans, working drawings, and construction..... 13,062,000
- (4) 30.20.015-Garden Valley Forest Fire Station: Replace Facility-- Preliminary plans, working drawings, and construction..... 6,304,000
- (5) 30.20.205-Higgins Corner Forest Fire Station: Replace Facility--Acquisition, preliminary plans, working drawings, and construction..... 9,278,000
- (6) 30.20.240-Siskiyou Unit Headquarters: Replace Facility-- Preliminary plans, working drawings, and construction..... 30,151,000
- (7) 30.30.075-Warner Springs Forest Fire Station: Replace Facility-- Construction..... 591,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the acquisition, design, and construction of the projects authorized by this item.

2. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure during the 2008-09 fiscal year, except appropriations for acquisitions which shall be available for expenditure until June 30, 2011, appropriations for working drawings which shall be available for expenditure until June 30, 2010, and appropriations for construction which shall be available for expenditure until June 30, 2013. In addition, the balance of funds appropriated for construction that have not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before June 30, 2011, shall revert as of that date to the fund from which the appropriation was made.

3. The Department of Forestry and Fire Protection and the State Public Works Board are authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.

4. The State Public Works Board shall not be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This section does not exempt the Department of Forestry and Fire Protection from the requirements of the California Environmental Quality Act. This section is intended to be declarative of existing law.

5. *The funds appropriated in Schedules (4) and (5) include funding for construction and preconstruction activities, including, but not limited to, study, environmental documents, preliminary plans, working drawings, equipment, and other costs relating to the design and construction of Department of Forestry and Fire Protection facilities, that may be performed by*

the Department of Forestry and Fire Protection. Not less than 20 days after providing notice to the Joint Legislative Budget Committee, the Department of Finance may modify which projects may be managed by the Department of Forestry and Fire Protection, provided that such projects are limited to the design and construction of forest fire station facilities or facilities with substantially similar components, which can be managed by existing capital outlay staff. While the Department of Forestry and Fire Protection may manage these projects, the projects are subject to review by the State Public Works Board and require authorization to proceed to bid from the Department of Finance.

3560 State Lands Commission

19. Huntington Beach Field Office Replacement

Current Office Building. The State Lands Commission Huntington Beach office has become infected with toxic mold, due to storm damage to the roof in 2000 that allowed water to seep into the walls. Asbestos and lead paint have been previously identified in the building. The Department of General Services estimates that mold and asbestos remediation would cost over \$250,000. However, the building is not ADA compliant and the remediation would not address that problem.

The current Huntington Beach facility houses four employees who are responsible for testing and accounting oil production for royalty computations. All crude oil produced from state leases is sampled, tested and measured for gravity, water content, solids content, and other factors. This testing is used for the royalty verification calculation process. Annually, the crude oil royalties provide between \$15 to \$20 million in revenues to the state.

Proposed New Building. The new office building and laboratory would be 2,775 square feet with an oil laboratory. The laboratory would be designed as an explosion-proof space. The project cost includes the required equipment. The new office building would be constructed on State Lands Commission owned land in Seal Beach.

The current office would be demolished and the land sold as state surplus. The cost estimate for the site of the current office is \$3 million.

2007-08 Budget Action. In the 2007-08 Budget, the Legislature appropriated \$308,000 for the preliminary plans phase of this project. The total project cost is estimated at \$2,418,000.

Governor's Budget. The Governor's Budget proposes \$182,000 General Fund for the working drawings phase of the capital outlay project.

Finance Letter. The Governor submitted a finance letter withdrawing the working drawings phase proposal for 2008-09 because the preliminary plans phase will last longer than initially planned. The proposal will be resubmitted in 2009-10.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

3760 State Coastal Conservancy

20. Reappropriation of Capital Outlay Funds

Proposal. The Coastal Conservancy has unencumbered balances from old bond fund appropriations because the Conservancy received grants from the Resources Agency and the Wildlife Conservation Board for certain projects, thereby freeing up the bond funds. The requested amounts would be spent on projects consistent with the purposes outlined in the *2005 Budget Act* for the Conservancy and the San Francisco Bay Conservancy programs.

Finance Letter. The Governor has submitted a finance letter proposing a reappropriation of Proposition 12 and Proposition 40 bond funds from the *2005 Budget Act*. The reappropriation is approximately \$9 million.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

3790 Department of Parks and Recreation

21. Capital Outlay – General Acquisitions

Project. This project would acquire new additions to existing state parks and/or improve facilities within the state park system. Potential projects include:

- Anza-Borrego Desert State Park, continuing acquisition
- Redwood parks, continuing acquisition
- Santa Cruz Mountains parks, continuing acquisition
- Statewide acquisition matching purchases

Governor's Budget. The Governor's Budget proposes \$5 million from the Federal Trust Fund for acquisition of important additions to existing parks or improving facilities within the state park system.

Staff Recommendation. Staff recommends that the Subcommittee approve the budget proposal.

22. Capital Outlay – Opportunity and Inholding Acquisitions

Project. This project would acquire variously sized parcels that are either:

- *Opportunity purchases* – parcels that are adjacent to or substantially enclosed within adjoining State Park property.
- *Inholding purchases* – parcels that are surrounded at least 50 percent by State Park property and where department ownership would improve operations of the existing state park unit.

Governor's Budget. The Governor's Budget proposes \$2 million in 1976 bond funds for opportunity and inholding purchases for state parks.

Staff Recommendation. Staff recommends that the Subcommittee approve the budget proposal.

23. Four-Wheel Drive Improvements

Project. This project would provide for improvements to the existing Four-Wheel Drive area at Prairie City State Vehicular Recreational Area that includes four picnic sites each with a toilet, a shade ramada for group gatherings, irrigated turf and trees, graveled staging and parking areas and roads to provide all weather access, mass tree plantings for shade and buffer of adjacent private lands, water distribution system, fences, and signage.

Governor's Budget. The Governor's Budget proposes \$150,000 from the Off-Highway Vehicle Fund for preliminary plans and working drawings for the Prairie City State Vehicular Recreational Area.

Staff Recommendation. Staff recommends that the Subcommittee approve the budget proposal.

24. Oceano Dunes SVRA Visitor Center and Equipment Storage

Project. This project would construct two new buildings at Pismo State Beach: a visitor center and an equipment storage facility. This project will provide a multi-functional facility including interpretive displays, resource management displays along with community outreach and meeting/training space for park staff and volunteers, replacing the outdated modular building to meet increased public demand. This project will also provide a new storage building for maintenance services and protection from salt air corrosion for high-value vehicles used to service Oceano Dunes State Vehicular Recreational Area.

Governor's Budget. The Governor's Budget proposes \$143,000 in Proposition 84 bond funds for preliminary plans for the Oceano Dunes State Vehicular Recreation Area visitor center and equipment storage project.

Staff Recommendation. Staff recommends that the Subcommittee approve the budget proposal.

25. Statewide OHV Opportunity Purchases

Project. This project would do the following:

- Property appraisals prior to Departmental requests for acquisition appropriations;
- Purchase of real property inholdings and parcels adjacent to State Vehicular Recreation Areas that are supported by the Off-Highway Motor Vehicle Recreation Program, or parcels available through tax default that fall within the Department's five-year plan for program expansion; and
- Preparation of developing budget cost estimates and schematics for future development projects.

Governor's Budget. The Governor's Budget proposes \$1 million from the Off-Highway Vehicle Fund for opportunity purchases and pre-budget schematics.

Staff Recommendation. Staff recommends that the Subcommittee approve the budget proposal.

26. Project Development

Project. The Governor has requested the following projects:

- *Gaviota State Park: Coastal Trail Development* – Request for \$3,017,000 in Proposition 84 bond funds for planning and construction of 1.25 miles of paved trail.
- *Marshall Gold Discovery State Historic Park: Park Improvements* – Request for \$340,000 in Proposition 84 bond funds for preliminary plans to enhance visitor's educational and interpretive experience.
- *Statewide Budget Development* – Request for \$300,000 in Proposition 84 bond funds for studies, including initial investigations and preparing budget cost estimates.

Governor's Budget. The Governor's Budget proposes \$3,657,000 in Proposition 84 bond funds for three park development projects.

Staff Recommendation. Staff recommends that the Subcommittee approve the budget proposals.

27. Minor Capital Outlay

Project. These minor capital outlay projects are:

- *Off-Highway Vehicle Minor Capital Outlay Program* – Request for \$3 million from the Off-Highway Vehicle Fund for various minor construction of maintenance and administration facilities in various State Vehicular Recreational Areas.
- *Statewide: Recreation Trails Program* – Request for \$500,000 in Proposition 84 bond funds for reconstruction of unsafe and damaged trails within the State Park system.
- *Statewide: State Park System Minor Capital Outlay Program* – Request for \$2,154,000 in Proposition 84 bond funds for construction of enhancements and/or improvements to address critical issues of health and safety, accessibility, and protection and restoration of cultural and natural resources.
- *Statewide: Volunteer Enhancement Program* – Request \$649,000 in Proposition 84 bond funds for construction and repair of volunteer facilities and camp host sites located statewide within the State Park System.

Governor's Budget. The Governor's Budget proposes \$6,303,000 from various funding sources for minor capital outlay projects within the state park system.

Staff Recommendation. Staff recommends that the Subcommittee approve the minor capital outlay budget proposals.

28. Malibu Creek State Park – Restore Sepulveda Adobe Project

Project. The project would restore the historic Sepulveda Adobe and add interpretation and furnishings for it to serve as a house museum. The project includes the restoration of interior building finishes, lighting, and other fixed improvements. It also includes research and implementation of interpretive and furnishing plans; reconstruction; interpretation, and restoration of site structures and landscaping around the building, as well as ADA improvements to provide for handicap accessibility to the building.

Finance Letter. The Governor submitted a finance letter for an increase of \$836,000 in Proposition 12 bond funds for additional construction costs for the project. With this increase, the total project cost would be \$2,667,000.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

29. Cuyamaca Rancho State Park – Equestrian Facilities Project

Project. This project would provide replacement equestrian use facilities within the 26,000 acre Cuyamaca Rancho State Park. The project would construct a day-use equestrian trailhead parking area and provide trail connections from the new facilities to the existing trail system.

Finance Letter. The Governor submitted a finance letter for \$183,000 in Proposition 84 bond funds for preliminary plans for the Cuyamaca Rancho State Park: Equestrian Facilities project. The total project cost would be \$3,441,000.

May Finance Letter. The Governor submitted a May Finance letter to increase working drawing by \$227,000 in Proposition 84 bond funds.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter increasing the preliminary plans funds, but reject the increase to working drawings because the preliminary plans phase has not yet started.

30. Eastshore State Park – Brickyard Cove Development Project

Project. This project would develop initial public day use facilities at Brickyard Cove, the largest recreation development opportunity identified in the 2002 General Plan for Eastshore State Park. This project will provide parking, bayshore access, improved turf play and picnic areas; trails; a shoreline access for walking, fishing, and kayaking; concession-operated food and bicycle rentals; interpretation; habitat improvement; and restrooms.

Finance Letter. The Governor submitted a finance letter for \$771,000 in Proposition 84 bond funds for preliminary plans for the Brickyard Cove Development project. The total project cost would be \$11,479,000.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

31. Reappropriations of Miscellaneous Projects

May Finance Letter. The Governor submitted a May finance letter requesting the reappropriation of the following special funded projects:

- *Habitat Conservation, Proposed Additions* – Acquisition. Negotiations are underway to acquire the Corral Canyon North property in the Angeles District. Reappropriation will allow this project to continue. Funding source is the Habitat Conservation Fund.
- *San Elijo State Beach, Replace Main Lifeguard Tower* – Construction. The project was delayed by the incorporation of new building codes into the preliminary plans. Working drawings are now underway and it is anticipated that the project will proceed to bid in August 2008. Reappropriation will be needed to award the construction contract.

Although the Governor's Budget proposes a reduction of lifeguard staffing at this park, this project is still needed for the remaining lifeguards. The funding source is the federal trust fund.

- *California Indian Museum* – Preliminary Plans, Working Drawings, and Construction. Planning activities for this project are ongoing and the requested reappropriation will enable the department to accomplish these activities, including securing non-state funding.

Staff Recommendation. Staff recommends that the Subcommittee approve the reappropriations listed under this item.

32. Reappropriations of Proposition 12 Bond Funded Projects

May Finance Letter. The Governor submitted a May finance letter requesting the reappropriation of the following Proposition 12 bond funded projects:

- *Cardiff State Beach, Rebuild South Cardiff Facilities* – Construction. Negotiations with the contractor over project close-out may extend into the next fiscal year, thus making reappropriation necessary. The project is nearly complete.
- *Rancho San Andres, Castro Adobe* – Preliminary Plans, Working Drawings, and Construction. The project has been delayed because of the difficulty in locating the adobe block necessary to complete this project. Although the adobe materials have been secured, reappropriation will allow for completion of the project.
- *Crystal Cove State Park, El Morro Mobilehome Park Conversion* – Construction. The construction contract was recently awarded. However, because of the delays associated with clearing the site and securing additional project funding, reappropriation is needed to complete the project.
- *Rancho San Andres, Castro Adobe* – Construction. The project has been delayed because of the difficulty in locating the adobe block necessary to complete this project. Although the adobe materials have been secured, reappropriation will allow for completion of the project.
- *San Elijo State Beach, Replace Main Lifeguard Tower* – Preliminary Plans and Working Drawings. The project was delayed by the incorporation of new building codes into the preliminary plans. Working drawings are now underway and it is anticipated that the project will proceed to bid in August 2008. Reappropriation will provide the necessary funding for the completion of the working drawings. Although the Governor's Budget proposes a reduction of lifeguard staffing at this park, this project is still needed for the remaining lifeguards.
- *San Elijo State Beach, Replace Main Lifeguard Tower* – Construction and Equipment. The project was delayed by the incorporation of new building codes into the preliminary plans. Working drawings are now underway and it is anticipated that the project will proceed to bid in August 2008. Reappropriation will be needed to award the construction contract. Although the Governor's Budget proposes a reduction of lifeguard staffing at this park, this project is still needed for the remaining lifeguards.

- *Statewide, State Park System – Minor Projects.* Weather conditions in the Sierra District have delayed completion of the Emerald Bay State Park: Reconstruct Eagle Point Fire Road. Reappropriation will allow for its completion next year.

Staff Recommendation. Staff recommends that the Subcommittee reappropriate the Proposition 12 bond funded projects.

33. Reappropriations of Proposition 40 Bond Funded Projects

May Finance Letter. The Governor submitted a May finance letter requesting the reappropriation of the following Proposition 40 bond funded projects:

- *Statewide, Acquisition-Proposition 40 – Acquisition.* Many significant acquisitions have been completed with this funding. However, because of concerns over property valuations on several acquisitions, reappropriation will allow this funding to be used for other high priority acquisitions.
- *Will Rogers State Historic Park, Restoration of Historic Landscape – Construction.* Project completion is anticipated for April 2009. Reappropriation is necessary to cover contractor payments and for continued project construction management. Although this park is on the Governor's proposed park closure list, it would not be prudent to stop this project at this point in the schedule because it would not yield any significant savings and would result in an unfinished project.
- *Railroad Technology Museum, Rehabilitation and Facilities Plan – Study and Preliminary Plans.* Project-related activities continue to be on hold until the lease and agreements with the developer and the City of Sacramento can be executed. Negotiations between all parties are continuing. Reappropriation is needed to complete the studies and to secure project funding.
- *Railroad Technology Museum, Rehabilitation and Facilities Plan – Working Drawings and Construction.* Project-related activities continue to be on hold until the lease and agreements with the developer and the City of Sacramento can be executed. Negotiations between all parties are continuing. Reappropriation is needed to complete the studies and to secure project funding.
- *Railroad Technology Museum, Rehabilitation and Facilities Plan – Reimbursement.* Project-related activities continue to be on hold until the lease and agreements with the developer and the City of Sacramento can be executed. Negotiations between all parties are continuing. Reappropriation is needed to complete the studies and to secure project funding.
- *Chino Hills State Park, Entrance Road and Facilities – Working Drawings.* Working drawings are 90 percent complete, but still need to be reviewed by consultants, District, and project staff. The plans and review are expected to be completed by September 2008. Reappropriation will allow for plan completion and review.
- *Chino Hills State Park, Entrance Road and Facilities – Construction and Equipment.* Working drawings are 90 percent complete, but still need to be reviewed by consultants, District, and project staff. The plans and review are expected to be completed by September 2008. Reappropriation will allow for this project to proceed to bid.

- *Donner Memorial State Park, New Visitor Center* – Working Drawings, Construction, and Equipment. Completion of working drawings has been delayed by State Fire Marshal approval and weather conditions in the Sierras. The reappropriation is needed to complete the working drawings and to allow the project to proceed to bid.
- *Donner Memorial State Park, New Visitor Center* – Working Drawings and Construction. Completion of working drawings has been delayed by State Fire Marshal approval and weather conditions in the Sierras. The reappropriation is needed to complete the working drawings and to allow the project to proceed to bid.
- *Donner Memorial State Park, Visitor Center* – Reimbursement. Completion of working drawings has been delayed by State Fire Marshal approval and weather conditions in the Sierras. The reappropriation is needed to receive and expend the project-related reimbursements.
- *Donner Memorial State Park, New Visitor Center* – Reimbursement. Completion of working drawings has been delayed by State Fire Marshal approval and weather conditions in the Sierras. The reappropriation is needed to receive and expend the project-related reimbursements.
- *MacKerricher State Park, Rehab Historic Pudding Creek Trestle* – Construction. The project is nearly complete, however some construction-related mitigation work will extend into 2008-09. Reappropriation will provide the funding for this mitigation work.
- *Statewide, State Park System Opportunity and Inholding Acquisitions* – Acquisition. The remaining funding is needed to complete the Corral Canyon North, Angeles District, acquisition project.
- *Capital Outlay Projects* – Acquisition, Preliminary Plans, Working Drawings, Construction, and Minor Projects. Reappropriation will provide reimbursement authority for the receipt and expenditure of funds from outside agencies for project-related work that the department has performed under contract.
- *Capital Outlay Projects* – Reimbursements. Reappropriation will provide reimbursement authority for the receipt and expenditure of funds from outside agencies for project-related work that the department has performed under contract.
- *Jedediah Smith Redwoods State Park, Aubell Maintenance Facility* – Construction. Negotiations with the National Park Service are underway to secure the matching federal funding needed before this project can proceed. Reappropriation is necessary to continue this project.

Staff Recommendation. Staff recommends that the Subcommittee reappropriate the Proposition 40 bond funded projects.

34. Reappropriation of Proposition 50 Bond Funded Projects

May Finance Letter. The Governor submitted a May finance letter requesting the reappropriation of the following Proposition 50 bond funded projects:

- *Los Angeles State Historic Park, Planning and Phase I Building-Out* – Preliminary Plans. The preliminary plans have been delayed as a result of extended contract negotiations.

Reappropriation is necessary to provide the funding for completion of the preliminary plans.

- *Calaveras Big Trees State Park, New Visitor Center – Working Drawings, Construction, and Equipment.* The working drawings are being finalized, with an anticipated completion of August 2008. Reappropriation is needed to provide the funding necessary for the completion of the working drawings.
- *Calaveras Big Trees State Park, New Visitor Center – Reimbursement.* Working drawings are being finalized, with an anticipated completion of August 2008. Reappropriation of this item will allow for the department to receive reimbursement for project-related activities paid for by the Calaveras Big Trees Association.

Staff Recommendation. Staff recommends that the Subcommittee reappropriate the Proposition 50 bond funded projects.

35. Extension of Liquidation

May Finance Letter. The Governor submitted a May finance letter requesting that Item 3790-493 be added to extend the liquidation period by one year for the Statewide Minors, Interpretive Exhibits project from Item 3790-301-0005(5), Budget Act of 2005. The extension of the liquidation is needed to close-out contracts for existing projects.

Staff Recommendation. Staff recommends that the Subcommittee accept the extension of liquidation.

36. Reversions of Capital Outlay Funding

May Finance Letter. The Governor submitted a May finance letter requesting that the following projects have their unencumbered balances reverted:

- *Los Angeles River Parkway Project, Acquisition and Development – Acquisition.* This project has been completed and the project savings can be used for other priority projects.
- *Mount Diablo State Park, Road System Improvements – Construction.* This project has been completed and the project savings can be used for other priority projects.
- *Prairie City State Vehicular Recreation Area: Improvement Project – Working Drawings and Construction.* This project has been completed and the project savings can be used for other priority projects.
- *Plumas-Eureka State Park: Historic Stamp Mill Preservation – Study and Partial Construction.* The project has been suspended. The first phase of this project included emergency stabilization and studies. This work revealed that the total cost to preserve the stamp mill would exceed the funds available for this purpose. Additionally, because this park is on the Governor's proposed park closure list it would not be prudent to move forward with this project at this time. Therefore, the department is requesting termination of this project.

Staff Recommendation. Staff recommends that the Subcommittee accept the reversions.

3810 Santa Monica Mountains Conservancy

37. Capital Outlay – Acquisition and Local Assistance Grants

Background. The Santa Monica Mountains Conservancy's (SMMC) strategic plan is to purchase, preserve, protect, restore, and enhance land to form an interlinking system of urban, rural and river parks, as well as open space, trails, and wild-life habitats accessible to the general public. In addition, the SMMC forms partnerships with other agencies, including federal, state, county, city, resources conservation districts, water districts, park, and open space districts.

The cost of land in the SMMC operations area is estimated at \$10,000 per acre. SMMC pays full-market value to acquire privately-owned watershed property.

Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006) dedicates \$56 million in bond funds specifically for the Santa Monica Mountains Conservancy. Chapter 5, Section 75050 provides \$36 million and Chapter 7, Section 75060 provides an additional \$20 million. Of this amount, \$17 million was appropriated to the SMMC in the *2007-08 Budget Act*. To date, the Conservancy has encumbered \$8 million.

Governor's Budget. The Governor's Budget proposes \$20 million in Proposition 84 bond funds for land acquisition and local assistance grants.

Staff Recommendation. Staff recommends that the Subcommittee approve the budget proposal.

38. Capital Outlay and Grants

Background. The Santa Monica Mountain Conservancy (SMMC) was established in 1980 to acquire land and operate programs for conservation, parkland and recreational purposes. The SMMC has support in the local community, and receives donations and other gifts, in addition to settlements. The SMMC would use these alternative-source funds to fulfill its mission.

Governor's Budget. The Governor's Budget proposes \$367,000 in spending authority to the SMMC from the gifts the SMMC has received from the public.

Staff Recommendation. Staff recommends that the Subcommittee approve the budget proposal.

39. Capital Outlay and Local Assistance Grants Reappropriation

Background. In the *2004 Budget Act*, the Santa Monica Mountains Conservancy received a capital outlay appropriation. The original appropriation was for \$12.4 million.

Governor's Budget. The Governor's Budget proposes \$2 million for reappropriation.

Staff Recommendation. Staff recommends that the Subcommittee approve the budget proposal.

40. Proposition 12 Grant Project – Extension of Liquidation

Project. This project will connect the Los Angeles River bikeway and the Arroyo Seco bikeway and transform the Confluence Park from an open area to a park with native plants, walking and bicycle paths, benches, and interpretive displays. The project will not be completed by June 30, 2008, because of delays in negotiations with local governments and in the bidding process. This project has a component with the Department of Parks and Recreation and the Santa Monica Mountains Conservancy.

Finance Letter. The Governor submitted a finance letter to extend the liquidation period for the project until June 30, 2009.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

3825 San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy

41. Proposition 84, Capital Outlay and Grants

Background. The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 (Proposition 84), Chapter 5, Section 75050 provides \$36 million to the Conservancy. The funds are intended for restoration and protection of rivers, lakes and streams, watersheds and their associated land, water, and other natural resources.

In the *2007-08 Budget Act*, the Legislature provided \$25 million in Proposition 84 bond funds to the Conservancy for capital outlay projects, and an additional \$2.4 million over five years to pay for staffing and administration costs associated with the bond-funded projects.

Governor's Budget. The Governor's Budget proposes \$8 million in Proposition 84 bond funds for capital outlay for the Urban Lands and River Parkway programs.

Staff Recommendation. Staff recommends that the Subcommittee approve the budget proposal.

3835 Baldwin Hills Conservancy

42. Proposition 40 Reappropriation

Proposal. The original appropriations in 2004 and 2005 did not provide funding for specific projects, but for a general program category of Capital Outlay Acquisition and Improvement Program. Consequently, a reappropriation is appropriate because it will continue to be used for the purposes of the original appropriation. The reappropriation amounts will be used for one or a combination of the following projects:

- Acquisition of land in Western Ridgeline
- Ballona Creek Interpretive Station at Milton Street
- Stocker Corridor Trail improvements
- La Brea Green Belt improvements
- Ballona Creek trail connection with Baldwin Hills Scenic Overlook
- Acquisition of land behind West Los Angeles College

Finance Letter. The Governor has submitted a finance letter requesting for a reappropriation of \$7.2 million in Proposition 40 bond fund and \$8.6 million in Proposition 40 bond funds for acquisition and improvement programs. Due to difficulties in the negotiations with landowners to acquire and improve land that has active oil production, only a portion of the funding has been spent.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

3845 San Diego River Conservancy

43. Capital Outlay Reimbursement Authority

Proposal. The funds would be used for the development of the River Gorge Trail and the implementation of a control program for invasive, nonnative species throughout the San Diego River Watershed. The original sources of the reimbursements are Resources Agency's Proposition 40 appropriations for River Parkways and the Department of Fish and Game's General Fund appropriation for control of nonnative species.

Finance Letter. The Governor submitted a finance letter for \$1 million in Reimbursement authority to provide capital outlay funding for the San Diego River Conservancy.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

3850 Coachella Valley Mountains Conservancy

44. Fund Shift from Support Funds to Capital Outlay

April Finance Letter. The Governor submitted a finance letter proposing (1) a fund shift of \$70,000 from Proposition 84 funds to Reimbursements for the Coachella Valley Mountains Conservancy's state operations budget to provide acquisition management services to the Coachella Valley Conservation Commission, and (2) an increase of capital outlay funding by \$70,000 Proposition 84 funds from the savings generated by the fund shift.

May Finance Letter. The Governor submitted a May finance letter to amend the April finance letter to only shift \$40,000 from Proposition 84 to Reimbursements, and only increase capital outlay funding by \$40,000 (rather than \$70,000).

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letters.

3860 Department of Water Resources

45. Yuba River Basin Project

Project. The purpose of the Yuba River Basin Project is to improve the level of flood protection for the Marysville and Linda/Olivehurst/Arboga area to a level appropriate for urban areas. This proposal would complete the General Reevaluation Report and initiation of the design of the Marysville Ring Levee Reconstruction element of the Yuba River Basin Project.

Finance Letter. The Governor submitted a finance letter for \$734,000 (\$554,000 in Proposition 1E and \$180,000 in Reimbursement authority) for the working drawings phase of the Yuba River Basin Project. This proposal includes 1.1 existing positions. This proposal also reverts \$2 million in previously approved General Fund for this project.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

46. Natomas Levee Improvement Program Early Implementation Project

Project. The project would improve the level of flood control protection to the Natomas Basin perimeter levee system located north of Sacramento. The project would: 1) provide at least a 100-year level of flood protection to the Natomas Basin by 2010; 2) provide 200-year protection to the basin by 2012; and 3) avoid any substantial increase in expected annual damages for new development in the basin.

Finance Letter. The Governor submitted a finance letter for \$194,202,000 from Proposition 1E bond funds and 3.7 positions for the State's cost share of the design and construction of the Sacramento Area Flood Control Agency's Natomas Levee improvement program early implementation projects.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

47. West Sacramento Early Implementation Project

Project. The federal Water Resources Development Act of 1992 authorized the four segments of the Sacramento Metropolitan Area Project to achieve 200-year flood protection for the City of West Sacramento. Currently, evaluation is underway of the level of flood protection afforded by the existing City of West Sacramento levees and remediation measures to achieve 200-year protection. These four early implementation project segments are considered "projects of no regret" and have been identified to be included in the proposed solutions, offer the greatest reduction in public risk with the least negative environmental impact, and are ready to be implemented.

Finance Letter. The Governor submitted a finance letter for \$37,370,000 from Proposition 1E bond funds and 1.3 positions for the State's cost share to design and construct four early implementation project segments of the West Sacramento Project for the West Sacramento Flood Control Agency.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

48. Marysville Ring Levee Reconstruction Project

Project. The purpose of the Marysville Ring Levee Reconstruction Project is to improve the level of flood protection for the City of Marysville to a 200-year level. The project work consists of constructing 5.5 miles of levee slurry walls, toe drains, and seepage berms around the City of Marysville. This project would acquire temporary and permanent easements. This project would also relocate some residences and utilities. The current cost estimate for the project is approximately \$50 million.

Finance Letter. The Governor submitted a finance letter for \$17,622,000 (\$12,372,000 in Proposition 1E bond funds and \$5,250,000 in reimbursement authority) and 3.5 existing positions for construction of the Marysville Ring Levee Reconstruction Project.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

49. American River Common Features Project

Project. The objective of the project is to improve the level of flood protection for Sacramento. The project will include a completion of jet grouting; completion of the Mayhew Levee Raise and Closure Structure; planning, design, and construction of the American River Common Features Project Water Resources Development Act of 1999 features; and general reevaluation report regarding the levees in the Sacramento Region along the lower American River and Sacramento River in the Natomas and Pocket areas.

Finance Letter. The Governor submitted a finance letter for \$8,734,000 (\$6,154,000 in Proposition 1E bond funds and \$2,580,000 reimbursement authority) and 3.1 existing positions to continue the re-evaluation, design, and construction of the American River Common Features Project. This proposal also reverts \$7.6 million in previously authorized General Fund for this project.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

50. Folsom Dam Modifications Project

Project. This project will enhance the flood release capability of Folsom Dam, and thereby increase the level of flood protection to Sacramento. The new spillway would release flows of up to 160,000 cubic feet per second in combination with existing dam outlets. When complete, this project is estimated to improve flood protection along the lower American River to about a 156-year level.

Finance Letter. The Governor submitted a finance letter for \$4,986,000 (\$3,532,000 in Proposition 1E bond funds and \$1,454,000 in Reimbursement authority) and 1.4 exiting positions to continue construction of the Folsom Dam Modifications Project.

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.

51. Folsom Bridge Project

Proposal. The *2007 Budget Act* provided \$4.4 million Proposition 1E bond funds for the Folsom Bridge Project. SB 5 (Machado, 2007), enacted shortly after the *2007-08 Budget Act*, allows the Department of Water Resources (DWR) to implement flood protection improvements

if the director of DWR determines, in writing, that various criteria are met, including that the project will reduce flood risk. DWR has indicated that they do not believe they can make a finding/determination that the Folsom Bridge Project would meet the criteria specified in SB 5. DWR believes that budget bill language is necessary to authorize the implementation of the Folsom Bridge Project in spite of SB 5's provisions.

Budget Bill Language:

3860-401—Notwithstanding Water Code Section 9613, funding for the bridge project identified in Water Code Section 12670.11(a)(3), including amounts appropriated pursuant to Item 3860-301-6052 of the Budget Act of 2007 (Chapters 171 and 172, Statutes of 2007), may be expended without the findings otherwise required by Section 9613.

Staff Recommendation. Staff recommends that the Subcommittee adopt the budget bill language.

52. Reappropriations

Finance Letter. The Governor submitted a finance letter requesting reappropriation of the following projects:

- 30.95.111 1997 Flood Damage Repair Projects
- 30.95.210 Tisdale Bridge Replacement
- 30.95.200 Magpie Creek Small Flood Control Project
- 30.95.260 South Sacramento County Streams
- 30.95.105 Marysville/Yuba Levee Construction
- 30.95.211 1997 Flood Damage Repair Projects – San Joaquin Valley
- 30.95.255 Eastside Bypass Levee Raising Project

Staff Recommendation. Staff recommends that the Subcommittee accept the finance letter.